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DEPARTMENT OF STATE
THE DIRECTOR OF INTELLIGENCE AND RESEARCH

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MEMORANDUM 22 June 1962

To : Governor Harriman

From : Roger Hilsman

Subject : Evidence of Peiping's Concern over Possible GRC-US Intentions.

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We have examined the limited collateral evidence and some aspects of the special intelligence on Chinese Communist activities in the East China area with a view to considering the extent to which Chicom troop movements may be motivated by genuine but exaggerated concern over possible GRC-US military moves against the Chinese mainland. Within the context of its small volume, we have been struck by the considerable amount of material which lends itself to such an interpretation.

1. In spring 1961, a Chinese Communist summary of foreign policy for senior military officers indicated Peiping had no intention at that time of attempting to take either Taiwan or the offshore islands and, in point of fact, made much of the embarrassment the offshore islands were to the US in its relations with the Chinese Nationalists. Another publication included in the so-called "Tibetan Documents" made a strong argument for Peiping's having to give first priority to solving domestic difficulties and the necessity of deferring and avoiding any complications along its borders.

2. Chicom Foreign Minister Ch'en went out of his way in a farewell conversation with the outgoing UK Charge in Peiping in early April to raise the subject of a possible Chinese Nationalist invasion which, Ch'en said, would be permitted to penetrate inland where it

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would be destroyed, rather than being eliminated on the beaches. This was an unprecedented raising of this topic with a western diplomat in Peiping and was clearly intended as a warning of Chinese Communist "awareness" of GRC intentions.

3. Chicom warnings against US destroyer and air reconnaissance against Communist China in April, accused the US of recent activities "to intensify tension in the Taiwan Strait and conduct aggression" and referred to "sinister" visits of US officials to Taiwan in the context of condemning the GRC's "fight back to the mainland" policy.

4. A report from the British Consul in Shanghai June 19 spoke of many rumors of an expected KMT landing and of public warnings that the KMT had not abandoned (?) its intentions and that "force must be increased."

5. A June 12 letter from Fukien to Hong Kong described the movement of large numbers of troops from north China to the Fukien area in early June as intended as a defense against a Chinese National invasion.

6. A letter June 9 from a town some 50 miles north of Amoy along the coast reported that books and reading materials were being burned by officials and that all dependents were being evacuated. A report from a Chinese Communist postal official near the Hong Kong border stated that no parcels were being accepted for Fukien because the seacoast areas were being evacuated.

7. A pro-western diplomat from Peiping told Hong Kong officials in June that Chou En-lai and Ch'en I were convinced the US, India, and the GRC would initiate military action against China sometime this summer and that the Chinese Communist leadership for the first time seemed "rattled and frightened."

8. In a conversation with a Hong Kong Consulate General official, Ho Yin, a prominent Macao pro-communist who had attended the National People's Congress sessions

this March-April, said that while in the past foreigners had underestimated the Chinese, now they were equally mistaken in overestimating China's ability to start a war anywhere; the Chinese were "in serious economic difficulties and all energies must be devoted to solving these problems."

9. A report from an admittedly suspect Chinese Nationalist source in Foochow in mid-June stated the militia were being issued cartridges. Another report from a GRC agent in Hangchow said evacuated dependents in one area in Fukien were being told they would have to be moved into safe areas by early July since "in case something should happen, the sea coast would be too dangerous."